

=====

**STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY
MEMORANDUM**

=====

TO: Asha Shah, Director
Budget, Analysis & Financial Management Administration

DATE: November 8, 2000

FROM: Rita Barker, Director
Office of Internal Audit

SUBJECT: Review of Maintenance of Effort Fiscal Data
Family Preservation and Family Support Services
Period: 10/1/97 through 9/30/98 (FY 98)
Assignment # 2000-164

The Office of Internal Audit reviewed the fiscal data used to calculate the State Fiscal Year 1998 Estimated Expenditures to meet the supplantation prohibition for the Family Preservation and Family Support Services Program.

Based on our review, we conclude that the allocations of gross expenditures used to calculate FY 1998 estimated expenditures to meet the supplantation prohibition for the Family Preservation and Family Support Services Program were correct. There were findings that are discussed below, but the adjustments resulting from these findings were of relatively insignificant amounts. Therefore, no adjustments have been made to the "Estimated Expenditures – Family Preservation and Family Support Services" report which is attached to this memo.

Initial Calculations Spreadsheet

When tracing the figures from the "Estimated Expenditures - Family Preservation and Family Support Services" report to the FIA Family Preservation and Family Support Services initial calculations spreadsheet for FY 98, we determined two figures on the Unaudited "Estimated Expenditures - Family Preservation and Family Support Services" report were incorrect. These were:

- In the column for the State portion of Family Preservation Services expenditures the figure for "100% State Funds" expenditures was \$10,536.1 (in thousands). This figure should have been \$10,542.8. (It appears that the original figure did not include State expenditures of \$6.7 for "Special In-Home Care Projects," and
- In the column for the Federal portion of Family Preservation Services expenditures the figure for "Child Abuse and Neglect Grants" was \$515.5. This figure should have been \$515.0.

Since both of these errors were minor in amount, no changes to the “Estimated Expenditures – Family Preservation and Family Support Services” report were made.

WE RECOMMEND the Budget, Analysis and Financial Management Administration ensure that they accurately enter the figures when preparing the “Estimated Expenditures – Family Preservation and Family Support Services” report.

Title IV-A (TANF)

While reviewing the method that was used to calculate the maintenance of effort figures on the spreadsheet to determine if the expenditures are proper for the line items selected for review, we noted that the factor used in determining the federal portion of TANF expenditures was incorrect. A TANF factor of .395644 was arrived at using figures from a TANF spreadsheet that was not the final version of the spreadsheet. However using figures from the final version of this spreadsheet the factor became .395892. Since this minor change to the TANF factor would have only decreased the State portion and increased the Federal portion of Family Preservation Services Title IV-A Emergency Assistance by \$3,600, we made no changes to the “Estimated Expenditures – Family Preservation and Family Support Services” report.

WE RECOMMEND the Budget, Analysis and Financial Management Administration ensure that they are using final figures for the fiscal year when making their calculations.

Please contact me if you have any questions concerning this review.

Attachment

cc: M. Jasonowicz

J. Beougher

J. Sorbet

J. Hudson

J. Powell

Audited

ESTIMATED EXPENDITURES
State Fiscal Year 1998
FAMILY PRESERVATION AND FAMILY SUPPORT
SERVICES

Fiscal Data (in thousands) to meet the Supplantation Prohibition

Funding Source	Family Preservation Services		Family Support Services	
	STATE	FEDERAL	STATE	FEDERAL
Title IV-B 1/	\$21.2	\$4.5	\$82.5	\$17.5
Title IV-A Emergency Assistance	\$8,705.8	\$6,022.9	\$0.0	\$1,727.1
Title XX	\$3,420.0	\$16,578.0	\$253.4	\$1,125.8
Other (please list)* Direct charged or cost allocated via worker time study to the following Federal funding sources: Titles IV-A, IV-D, IV-E, IV-F, XIX, Food Stamps, LIHEAP, and Child Care & Development Block Grant	\$1,465.2	\$1,858.6	\$0.0	\$0.0
Child Abuse and Neglect Grants	\$0.0	\$515.5	\$0.0	\$0.0
Community-Based Family Resource Program Grant	\$0.0	\$0.0	\$0.0	\$599.5
Temporary Child Care for Children with Disabilities and Crisis Nursery Grants	\$0.0	\$0.0	\$0.8	\$24.8
100% State Funds	\$10,536.1	\$0.0	\$0.0	\$0.0
100% County Funds	\$6.7	\$0.0	\$0.0	\$0.0
Private Donations	\$0.0	\$0.0	\$1,051.6	\$0.0

* Some examples of Federal and State funding sources are as follows:

Community Service Block Grant; Child Abuse and Neglect Grants; Children's Justice Act Grants; Community Prevention Grants (challenge grants); Family Resource and Support Programs (There are only three States which have these programs--CT, MD and VA); Parents as Teachers; Home Instruction Program for Preschool Youngsters (HIPPI); and Families First.

1/ The match requirement for Title IV-B subpart 1 funds was met for the most part through allowable state foster care expenditures which are not counted in fiscal year 1998 estimated expenditures for Family Preservation and Family Support Services because they do not fit the definition of family preservation or family support.